



April 18, 2006

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

[regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Part 715 ANPR, Supervisory Committee Audits

Dear Ms. Rupp:

New England Credit Union Services, LLC (NECUS) is the business arm of the Massachusetts Credit League, New Hampshire Credit Union League and Rhode Island Credit Union League. We have been providing audit services to credit unions since 1989. In 2005, NECUS Audit Solutions provide over 60 credit unions with auditing services that include: annual audits, interim internal audits, compliance audits (Bank Secrecy Act/OFAC audits, Regulation B through DD reviews), ACH audits, FNMA quality assurance reviews, IT reviews, lending reviews, share account reviews, investment reviews, cash reviews, due diligence review for possible mergers, mail ballot elections, fraud audits and management assistance.

My detailed responses to NCUA's Advance Notice of Proposed Rulemaking for Part 715, Supervisory Committee Audits were included with the League Auditors Responses sent on April 18, 2006.

I would like to emphasize that the credit union movement should not be burdened with audit requirements that are more stringent than other types of financial institutions.

#10 asks whether Supervisory Committee members of a certain minimum asset size should be required to have a minimum level of experience or expertise in credit union, banking or other financial matters. I totally agree with the League Auditors group response that there could be a requirement for credit unions with assets over \$3 billion but even in that asset size it may be a hardship in recruiting and retaining members for the Supervisory Committee. I would like to add that it is also difficult to recruit and retain volunteers in some credit unions due to the limited field of membership. This is another issue that must be taken into account while arbitrarily choosing a minimum asset size.

*A partnership of the Massachusetts, New Hampshire  
and Rhode Island Credit Union Leagues*



#16 asks about the value in retaining the "Supervisory Committee Guide audit" as an option. As the League Auditors group response mentioned: "If the Supervisory Committee audit option were not available to credit unions, non-CPAs would no longer be able to offer to do the annual audit for credit unions." The League Auditors group response also mentioned that 66% of all credit unions utilize this option. Many reasons for retaining the "Supervisory Committee Guide audit" were mentioned. Another issue was not discussed: if only a CPA can perform annual audits for credit unions, League Auditors would no longer be able to perform the annual audit. Since annual audits are a big percentage of the work performed by League Auditors, would Leagues continue to maintain Audit Departments to perform other types of audits for credit unions? If Leagues no longer offered audit services for credit unions, credit unions would have to pay CPAs higher fees for their annual audits **and** they would have to pay higher fees for all other types of audits. Small and mid-size credit unions would be unfairly impacted due to the higher audit fees which would create a financial burden for these credit unions.

Thank you for offering us the opportunity to respond to your Advance Notice of Proposed Rulemaking regarding Part 715, Supervisory Committee Audits. If we can provide you with any further clarity regarding our view points, either as a group or individually, please let us know.

Sincerely,

A handwritten signature in black ink, reading "Kathleen C. Enderlin". The signature is fluid and cursive, with the first name being the most prominent.

Kathleen Enderlin  
Senior Vice President, Audit Services

/mwb